

**COTLANDS
(REGISTRATION NUMBER 000-849-NPO)
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Public benefit organisation
Executive management committee	NI Postma (Chairperson) TE Page (Vice-Chairperson) M Stach (Chief Executive Officer) - ex officio MMM Majake (Treasurer) MR Arnold (Member)
Registered office	910 Bram Fischer Towers 20 Albert Street Marshalltown Johannesburg 2001
Bankers	Standard Bank of South Africa Limited
Auditors	LSG Integrated Registered Auditors
Secretary	KS Huggett
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisation Act, 1997 of South Africa, and the Constitution.
Preparer	The annual financial statements were independently compiled by: B Gordon Registered Auditor
Issued	07 September 2021

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Index

The reports and statements set out below comprise the annual financial statements presented to the members:

	Page
Executive Management Committees' Responsibilities and Approval	3
Executive Management's Report	4 - 5
Independent Auditor's Report	6 - 8
Statement of Financial Position	9
Statement of Comprehensive Income	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Accounting Policies	13 - 17
Notes to the Annual Financial Statements	18 - 25
The following supplementary information does not form part of the annual financial statements and is unaudited:	
Statement of Financial Performance	26 - 27

Level of assurance

These annual financial statements have been audited in compliance with the applicable requirements of the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution.

Preparer

B Gordon
Registered Auditor

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Executive Management Committees' Responsibilities and Approval

The executive management is required by the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the organisation as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The executive management acknowledge that they are ultimately responsible for the system of internal financial control established by the organisation and place considerable importance on maintaining a strong control environment. To enable the executive management to meet these responsibilities, the executive management sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the organisation and all employees are required to maintain the highest ethical standards in ensuring the organisation's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the organisation is on identifying, assessing, managing and monitoring all known forms of risk across the organisation. While operating risk cannot be fully eliminated, the organisation endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The executive management are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The executive management have reviewed the organisation's cash flow forecast for the year to 31 March 2022 and, in the light of this review and the current financial position, they are satisfied that the organisation has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the organisation's annual financial statements. The annual financial statements have been examined by the organisation's external auditors and their report is presented on pages 6 to 8.

The annual financial statements set out on pages 4 to 25, which have been prepared on the going concern basis, were approved by the all the members of the executive management committee on 07 September 2021 and were signed on their behalf by:

NI Postma (Chairperson)

MMM Majake (Treasurer)

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Executive Management's Report

The organisation's executive management committee have pleasure in submitting their report on the annual financial statements of Cotlands for the year ended 31 March 2021.

1. Incorporation

The organisation was founded in 1936 by Dorothy Reece and obtained its certificate to commence business on the same day.

2. Nature of business

The organisation is engaged in public benefit activities and operates principally in South Africa.

The organisation's main objective is to provide an integrated model of education for young children and their families, by empowering them to improve their quality of life through play.

Cotlands endured a difficult financial year as a result of the Covid-19 pandemic. Revenue fell below the budgeted figures as funding streams slowed down.

Costs were aggressively managed during the pandemic to ensure the survival of Cotlands.

There have been no material changes to the nature of the organisation's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution.

The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the organisation are set out in these annual financial statements.

4. Executive Management Committee

The executive management committee in office at the date of this report are as follows:

Executive Management Committee

DE Ncala (Chairperson)
NI Postma (Chairperson)
TE Page (Vice-Chairperson)
M Stach (Chief Executive Officer) - ex officio
MMM Majake (Treasurer)
MR Arnold (Member)

Changes

Resigned 30 September 2020
Appointed 30 September 2020
Appointed 30 September 2020

Appointed 30 September 2020

5. Property, plant and equipment

There was no change in the nature of the property, plant and equipment of the organisation or in the policy regarding their use.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Executive Management's Report

6. Events after the reporting period

The executive management are not aware of any other material event which occurred after the reporting date and up to the date of this report.

7. Going concern

During the month of March 2020, the World Health Organisation declared a global pandemic. This Covid 19 pandemic has since rapidly spread throughout the world with South Africa not being an exception. As a result the South African government announced a nationwide lockdown which has caused a rapid decline in business operations throughout South Africa. Businesses are set to face consequences related to the Covid - 19 pandemic including but not limited to a general reduction in sales, closure of operations, supply chain disruptions, or an inability of customers to pay, among others. The entity is not able to reliably estimate the financial effect on the annual financial statements and therefore no adjustments have been made.

Cotlands has flexed its business model to adapt to the impact which the pandemic has had on operations and the executive management believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The executive management have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The executive management are not aware of any new material changes that may adversely impact the organisation. The executive management are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

8. Auditors

LSG Integrated continued in office as auditors for the organisation for 2021.

9. Secretary

The organisation's secretary is KS Huggett.

LSG INTEGRATED

REGISTERED AUDITORS

Entrepreneurial Specialists for SMME

Integrated value added financial services

Divisions:

Accounting and Bookkeeping Services
Auditing and Assurance Services
Company Secretarial Services
Trusts and Estate Planning
Taxation Services

Address: East Wing
6 Kikuyu Road
Sunninghill 2157

Postal: PO Box 457
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Telephone: (011)807-1974/(011) 253-7400
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Email: lsg@lsgintegrated.co.za
Website: www.lsgintegrated.co.za

Independent Auditor's Report

To the Executive Management Committee of Cotlands

Opinion

We have audited the annual financial statements of Cotlands (the organisation) set out on pages 9 to 25, which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, except for the matter under the basis for qualified opinion, the annual financial statements present fairly, in all material respects, the financial position of Cotlands as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution.

Basis for qualified opinion

As is the case with similar NPO organisations, it is not feasible for the organisation to institute accounting controls over cash collections and donations prior to the initial entry of the collections in the accounting records. Accordingly, it was impractical for us to extend our examination beyond the receipts actually recorded.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the annual financial statements section of our report. We are independent of the organisation in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of annual financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report

Other information

The executive management are responsible for the other information. The other information comprises the information included in the document titled "Cotlands annual financial statements for the year ended 31 March 2021", which includes the Executive Management's Report as required by the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution and the Statement of Financial Performance, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

Furthermore, we draw attention to the fact that supplementary information set out on pages 26 to 27 does not form part of the annual financial statements and is presented as additional information. We have not audited this information and accordingly do not express an opinion thereon.

Responsibilities of the executive management for the Annual Financial Statements

The executive management are responsible for the preparation and fair presentation of the annual financial statements in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution, and for such internal control as the executive management determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, the executive management are responsible for assessing the organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the executive management either intend to liquidate the organisation or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive management.

Independent Auditor's Report

- Conclude on the appropriateness of the executive managements' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the executive management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



LSG Integrated
SP Swanepoel
Partner
Registered Auditor

07 September 2021
Sunninghill

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Position as at 31 March 2021

	Note(s)	2021 R	2020 R
Assets			
Non-Current Assets			
Property, plant and equipment	2	3 121 994	3 293 386
Other financial assets	3	5 000	5 000
		3 126 994	3 298 386
Current Assets			
Trade and other receivables	4	709 140	937 856
Cash and cash equivalents	5	10 897 904	8 343 806
		11 607 044	9 281 662
Total Assets		14 734 038	12 580 048
Equity and Liabilities			
Equity			
Retained surplus		5 379 422	5 259 624
Liabilities			
Current Liabilities			
Trade and other payables	6	923 009	1 160 310
Designated fund liability	7	6 594 749	5 433 736
Provisions	8	602 071	726 378
Other financial liabilities	9	1 234 787	-
		9 354 616	7 320 424
Total Equity and Liabilities		14 734 038	12 580 048

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Statement of Comprehensive Income

	Note(s)	2021 R	2020 R
Revenue	10	17 539 313	27 705 695
Cost of sales	11	(13 555 114)	(19 099 483)
Gross surplus		3 984 199	8 606 212
Other income	12	4 192 500	11 872 357
Operating expenses		(8 270 538)	(20 646 023)
Operating surplus/(deficit)	15	(93 839)	(167 454)
Investment revenue	13	215 147	74 506
Finance costs	17	(1 510)	(24 328)
Surplus/(Deficit) for the year		119 798	(117 276)

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Statement of Changes in Equity

	Retained surplus R	Total equity R
Balance at 01 April 2019	5 376 900	5 376 900
(Deficit) for the year	(117 276)	(117 276)
Balance at 01 April 2020	5 259 624	5 259 624
Surplus for the year	119 798	119 798
Balance at 31 March 2021	5 379 422	5 379 422

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Statement of Cash Flows

	Note(s)	2021 R	2020 R
Cash flows from operating activities			
Cash generated from operations	19	1 166 159	5 632 781
Interest income		215 147	74 506
Finance costs		(1 510)	(24 328)
Net cash from operating activities		1 379 796	5 682 959
Cash flows from investing activities			
Purchase of property, plant and equipment	2	(422 703)	(275 026)
Proceeds from disposal of property, plant and equipment		362 218	-
Movement in financial assets		-	995 000
Net cash from investing activities		(60 485)	719 974
Cash flows from financing activities			
Movement in other financial liabilities		1 234 787	-
Net cash from financing activities		1 234 787	-
Total cash movement for the year		2 554 098	6 402 933
Cash at the beginning of the year		8 343 806	1 940 873
Total cash at end of the year	5	10 897 904	8 343 806

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1. Basis of preparation and summary of significant accounting policies

The annual financial statements have been prepared on a going concern basis in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities, the Non-Profit Organisation's Act, 1997 of South Africa, and the Constitution. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make judgements, estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Critical judgements in applying accounting policies

Management are required to make critical judgements in applying accounting policies from time to time. The judgement, apart from those involving estimates, that have the most significant effect on the amounts recognised in the separate annual financials, are outlined as follows:

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Financial assets measured at cost and amortised cost

The organisation assesses its financial assets measured at cost and amortised cost for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the organisation makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for financial assets measured at cost and amortised cost is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting period that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The organisation reviews and tests the carrying value of property, plant and equipment and intangible assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

Provisions

Provisions are inherently based on assumptions and estimates using the best information available. Additional disclosure of these estimates of provisions are included in note 8 - Provisions.

1.2 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment property is initially measured at cost and subsequently at fair value with changes in fair value recognised in profit or loss. If the fair value of investment property cannot be measured reliably without undue cost or effort, then it is measured at cost less accumulated depreciation and accumulated impairment.

The cost of investment property comprises its purchase price and any directly attributable costs incurred to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the organisation holds for its own use or for rental to others and which are expected to be used for more than one period.

Property, plant and equipment is initially measured at cost.

Cost includes costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Equipment other	Straight line	5 years
Furniture and fittings	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	3 years

Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.3 Property, plant and equipment (continued)

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through profit or loss) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Financial instruments at fair value

All other financial instruments, including equity instruments that are publicly traded or whose fair value can otherwise be measured reliably, without undue cost or effort, are measured at fair value through profit and loss.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.5 Leases (continued)

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the receipt of payments is not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

- another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis, or
- the payments are structured to increase in line with expected general inflation (based on published indexes or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The organisation assesses at each reporting date whether there is any indication that an asset may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in profit or loss.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Accounting Policies

1.7 Employee benefits (continued)

Termination benefits

The termination benefits are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

1.8 Provisions and contingencies

Provisions are recognised when the organisation has an obligation at the reporting date as a result of a past event; it is probable that the organisation will be required to transfer economic benefits in settlement; and the amount of the obligation can be estimated reliably.

1.9 Designated grants

Grants that do not impose specified future performance conditions are recognised in income when the grant proceeds are receivable.

Grants that impose specified future performance conditions are recognised in income only when the performance conditions are met.

Grants received before the revenue recognition criteria are satisfied are recognised as a liability.

Grants are measured at the fair value of the asset received or receivable.

1.10 Revenue

Revenue is recognised to the extent that the organisation has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the organisation. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Revenue from donations is recognised at the date of receipt of donation or once future performance conditions have been met.

1.11 Other income

Interest is recognised, in profit or loss, using the effective interest rate method.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Equipment other	189 517	(189 511)	6	199 417	(199 411)	6
Furniture and fittings	649 809	(640 810)	8 999	798 511	(739 441)	59 070
Land and buildings	1 727 799	-	1 727 799	1 727 799	-	1 727 799
Leasehold improvements	-	-	-	982 357	(979 016)	3 341
Motor vehicles	2 744 484	(1 389 413)	1 355 071	3 076 541	(1 606 761)	1 469 780
Office equipment	262 419	(232 300)	30 119	368 335	(334 945)	33 390
Total	5 574 028	(2 452 034)	3 121 994	7 152 960	(3 859 574)	3 293 386

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Closing balance
Equipment other	6	-	-	-	6
Furniture and fittings	59 070	-	(18 333)	(31 738)	8 999
Land and buildings	1 727 799	-	-	-	1 727 799
Leasehold improvements	3 341	-	-	(3 341)	-
Motor vehicles	1 469 780	410 530	(197 989)	(327 250)	1 355 071
Office equipment	33 390	12 173	-	(15 444)	30 119
	3 293 386	422 703	(216 322)	(377 773)	3 121 994

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Impairment loss	Closing balance
Equipment other	6	-	-	-	6
Furniture and fittings	125 120	-	(66 050)	-	59 070
Land and buildings	2 177 643	-	-	(449 844)	1 727 799
Leasehold improvements	327 519	-	(324 178)	-	3 341
Motor vehicles	1 554 840	253 289	(338 349)	-	1 469 780
Office equipment	20 060	21 737	(8 407)	-	33 390
	4 205 188	275 026	(736 984)	(449 844)	3 293 386

Property, plant and equipment encumbered as security

No item of property, plant and equipment is encumbered as security.

The land and buildings are shown at cost due to the fact that the fair value cannot be measured reliably without undue cost or effort.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
2. Property, plant and equipment (continued)		
Details of properties		
Turffontein Property		
Consolidated Lot numbers 1501 and 1672 situated on Von Brandis and Stanton Streets. The property has been approved for disposal by the Board.		
- Purchase price: 1959	4 600	4 600
- Improvements: 1996	1 023 198	1 023 198
	1 027 798	1 027 798
Macassar Property - Macassar Haven		
Erf 853, Macassar, Cape Town, Western Cape. The property has been approved for disposal by the Board.		
- Purchase price: 2006	405 000	405 000
Macassar Property		
Erf 900, Macassar, Cape Town, Western Cape		
- Purchase price: 2009	295 000	295 000
Kwazulu Natal Property		
Erf 244, 245, 499, 500 and 501, Hlabisa Municipality, Kwa-Zulu Natal		
- Improvements: 2013	324 760	324 760
- Improvements: 2014	125 085	125 085
- Impairment: 2020	(449 844)	(449 844)
	1	1
TOTAL	1 727 799	1 727 799
Registers with details of property, plant and equipment are available for inspection from Executive Committee Members or their duly authorised representatives at the registered office of the organisation.		
3. Other financial assets		
At amortised cost		
Listed shares	5 000	5 000
Barloworld Khula Sizwe listed shares acquired whereby the scheme is in a lock-in-period for five years ending 30 September 2024. After five years, the shares will be listed on the BEE segment of a stock exchange and be tradeable. Due to the scheme being in a lock-in-period there is no share value and only after the lock-in-period will there be a share price quoted in an active market.		
Non-current assets		
At amortised cost	5 000	5 000

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
4. Trade and other receivables		
Trade receivables	392 613	631 884
Deposits	42 904	96 314
VAT	81 631	76 274
Other receivables	191 992	133 384
	709 140	937 856

The organisation is currently in progress with pending litigation against Taal Net and IT Consultation CC ("Taalnet") regarding amounts outstanding for rental of the Turffontein property. An amount of R993 859 has been provided as a bad debt for the Taalnet debtor.

The organisation's executive management committee consider that the carrying amount of trade and other receivables approximates their fair value.

5. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	10 897 904	8 343 806
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6. Trade and other payables

Trade payables	169 169	400 028
Audit fee accrual	70 465	68 590
Deposits received	136 000	136 000
Other payables	547 375	555 692
	923 009	1 160 310

The organisation's executive management committee consider that the carrying amount of trade and other payables approximates their fair value.

7. Designated fund liability

Donation income deferred - designated projects	6 594 749	5 433 736
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These liabilities arise from donations received from donors that are earmarked for designated projects. When the actual expenditure is incurred for the designated project, an amount equal to the related expense is reversed from the designated fund liability to the statement of comprehensive income. The remainder of the unutilised funds are shown as a designated fund liability on the statement of financial position.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 R	2020 R		
8. Provisions				
Reconciliation of provisions - 2021				
	Opening balance	Additions	Utilised during the year	Total
Provision for leave pay	726 378	472 188	(596 495)	602 071
Reconciliation of provisions - 2020				
	Opening balance	Additions	Utilised during the year	Total
Provision for leave pay	885 319	805 831	(964 772)	726 378
The leave pay provision represents management's best estimate of the liability at year end.				
9. Other financial liabilities				
At amortised cost				
Cotlands Children Trust		1 234 787		-
The loan is unsecured, is not an interest bearing loan and has no fixed terms of repayment.				
Current liabilities				
At amortised cost		1 234 787		-
10. Revenue				
Sale of goods		-	17 280	
Donations and other receipts	17 539 313		27 688 415	
	17 539 313		27 705 695	
The amounts included in donations and other receipts are as follows:				
Donations - Local	8 997 499		10 118 083	
Donations - Local government (Seta subsidy)	-		2 533	
Donations - Local government DSD	4 333 415		4 795 867	
Donations - Foreign	1 673 883		1 984 030	
Projects and functions	3 695 529		14 920 305	
Transfer (to)/from designated fund liability	(1 161 013)		(4 132 403)	
	17 539 313		27 688 415	

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
11. Cost of sales		
Sale of goods		
Cost of goods sold	16 938	32 023
Other		
Projects and functions	13 538 175	19 067 460
	13 555 113	19 099 482
12. Other income		
Discount received	63	-
Distribution from Cotlands Children Trust	2 750 000	10 203 000
Distribution from The Cotlands Empowerment Trust	34 978	-
Management fee	28 401	-
Other income	222 122	573 052
Rental income - Turffontein property	1 011 040	1 096 305
Surplus on disposal of property, plant and equipment	145 896	-
	4 192 500	11 872 357
13. Investment revenue		
Interest revenue		
Bank	215 147	74 506
14. Auditor's remuneration		
Fees - 2020	-	68 590
Fees - 2021	70 465	-
	70 465	68 590
15. Operating surplus/(deficit)		
Operating surplus/(deficit) for the year is stated after accounting for the following:		
Operating lease charges		
Premises		
• Contractual amounts	353 635	736 080
Surplus/(deficit) on disposal of property, plant and equipment	145 896	-
Impairment on property, plant and equipment	-	449 844
Impairment of trade and other receivables	-	52 908
Depreciation on property, plant and equipment	377 773	736 984
Employee costs	5 832 312	10 764 408

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
16. Depreciation, amortisation and impairments		
The following items are included within depreciation, amortisation and impairments:		
Depreciation		
Property, plant and equipment - indirect costs	32 102	718 856
Property, plant and equipment - cost of sales	345 671	18 128
	377 773	736 984
Impairments		
Property, plant and equipment	-	449 844
Trade and other receivables	-	52 908
	-	502 752
Total depreciation, amortisation and impairments		
Depreciation	377 773	736 984
Impairments	-	502 752
	377 773	1 239 736
17. Finance costs		
SARS Interest and penalties	1 510	24 328

18. Taxation

No provision has been made for 2021 tax as the organisation is exempt in terms of section 10(1)(cN) of the Income Tax Act, No. 58 of 1962, as amended. The organisation is registered with the South African Revenue Services (SARS) as an approved Public Benefit Organisation (PBO) with a registered number 130002029.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

	2021 R	2020 R
19. Cash generated from operations		
Surplus/(Deficit) before taxation	119 798	(117 276)
Adjustments for:		
Depreciation and amortisation	377 773	736 984
Surplus on disposal of assets	(145 896)	-
Loss on foreign exchange	-	3 219
Interest received	(215 147)	(74 506)
Finance costs	1 510	24 328
Impairment loss	-	502 752
Movements in provisions	(124 307)	(158 941)
Other non-cash items	-	(3 219)
Changes in working capital:		
Trade and other receivables	228 716	526 948
Trade and other payables	(237 301)	60 089
Designated fund liability	1 161 013	4 132 403
	1 166 159	5 632 781

20. Related parties

Relationships

Common trustees / Executive Management

Cotlands Children Trust

The Cotlands Empowerment Trust

Related party balances and transactions with entities with control, joint control or significant influence over the organisation

Related party balances

Loan accounts - Owing (to)/by related parties

Cotlands Children Trust	(1 234 787)	-
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Related party transactions

Distribution received from related parties

Cotlands Children Trust	2 750 000	10 203 000
The Cotlands Empowerment Trust	34 978	-

21. Going concern

During the month of March 2020, the World Health Organisation declared a global pandemic. This Covid 19 pandemic has since rapidly spread throughout the world with South Africa not being an exception. As a result the South African government announced a nationwide lockdown which has caused a rapid decline in business operations throughout South Africa. Businesses are set to face consequences related to the Covid - 19 pandemic including but not limited to a general reduction in sales, closure of operations, supply chain disruptions, or an inability of customers to pay, among others. The entity is not able to reliably estimate the financial effect on the annual financial statements and therefore no adjustments have been made.

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Notes to the Annual Financial Statements

2021	2020
R	R

21. Going concern (continued)

Cotlands has flexed its business model to adapt to the impact which the pandemic has had on operations and the executive management believe that the organisation has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The executive management have satisfied themselves that the organisation is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The executive management are not aware of any new material changes that may adversely impact the organisation. The executive management are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the organisation.

22. Events after the reporting period

The executive management are not aware of any other material event which occurred after the reporting date and up to the date of this report.

23. Comparative figures

Certain comparative figures have been reclassified.

Salary costs for play groups, projects, toy libraries and training were classified as operating expenses. These costs are incurred directly from the public benefit activities carried out by the organisation and as a result are identified as cost of sales.

The effects of the reclassification are as follows:

Profit or Loss

Cost of sales	- 10 938 587
Employee costs	- (10 938 587)

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Performance

	Note(s)	2021 R	2020 R
Revenue			
Sale of goods		-	17 280
Donations and other receipts		17 539 313	27 688 415
	10	17 539 313	27 705 695
Cost of sales			
Direct project and training costs		(13 209 443)	(19 081 355)
Other direct costs		(345 671)	(18 128)
	11	(13 555 114)	(19 099 483)
Gross surplus		3 984 199	8 606 212
Other income			
Discount received		63	-
Distribution from Cotlands Children trust		2 750 000	10 203 000
Distribution from The Cotlands Empowerment Trust		34 978	-
Gains on disposal of assets		145 896	-
Interest received	13	215 147	74 506
Management fee		28 401	-
Other income		222 122	573 052
Rental income - Turffontein property		1 011 040	1 096 305
		4 407 647	11 946 863
Expenses (Refer to page 27)		(8 270 538)	(20 646 023)
Surplus/(Deficit) for the year	15	121 308	(92 948)
Finance costs	17	(1 510)	(24 328)
Surplus/(Deficit) for the year		119 798	(117 276)

Cotlands

(Registration number: 000-849-NPO)

Annual Financial Statements for the year ended 31 March 2021

Statement of Financial Performance

	Note(s)	2021 R	2020 R
Operating expenses			
Advertising		54 256	450 185
Auditors remuneration	14	70 465	68 590
Bad debts		743 499	269 504
Bank charges		140 752	187 109
Children's meals and food parcels		2 950	664 922
Cleaning		-	71 633
Consulting and professional fees		74 677	235 019
Depreciation, amortisation and impairments	16	32 102	1 221 608
Donations		-	150
Educational consumables and materials		-	415 364
Employee costs		5 832 312	10 764 408
Fines and penalties		8 875	3 235
IT expenses		223 365	179 367
Insurance		92 838	83 635
Lease rentals on operating lease		353 635	736 080
Legal expenses		213 479	-
Membership fees		5 483	18 955
Motor vehicle expenses		-	998 788
Placement support		-	1 506
Printing, stationery and training materials		14 255	361 363
Profit and loss on exchange differences		-	3 219
Programme development		-	1 264 304
Recruitment fees		19 332	77 754
Repairs and maintenance		40 099	570 547
Security		68 755	117 729
Specialist and medical care		-	3 855
Staff welfare		10 485	56 791
Telephone and data		86 981	373 632
Toy library conference		-	441 983
Training		34 423	119 239
Travel - local		18 130	648 624
Utilities		129 390	236 925
		8 270 538	20 646 023